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Holdings Inc. and Certain of Its Affiliates*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:
LEHMAN BROTHERS HOLDINGS INC., *et al.*,

Debtors.

LEHMAN BROTHERS SPECIAL
FINANCING INC.

Plaintiff,

-against-

U.S. BANK NATIONAL ASSOCIATION, BANK
OF AMERICA NATIONAL ASSOCIATION,
DEUTSCHE BANK TRUST COMPANY
AMERICAS, THE BANK OF NEW YORK
MELLON TRUST COMPANY NATIONAL
ASSOCIATION, WELLS FARGO BANK
NATIONAL ASSOCIATION, AND DEFENDANTS
IDENTIFIED ON SCHEDULE 1,

Trustee Defendants,

-and-

Chapter 11

Case No. 08-13555 (JMP)

Adversary Proceeding
No. 10-03542 (JMP)

AIRLIE CDO I, CORP., AIRLIE CDO I, LTD.,
AIRLIE LCDO I (AVIV LCDO 2006-3), CORP.,
AIRLIE LCDO I (AVIV LCDO 2006-3), LTD.,
AIRLIE LCDO II (PEBBLE CREEK 2007-1),
CORP., AIRLIE LCDO II (PEBBLE CREEK 2007-
1), LTD., AVIV LCDO 2006-1, CORP., AVIV
LCDO 2006-1, LTD., AVIV LCDO 2006-2, CORP.,
AVIV LCDO 2006-2, LTD., BALBOA CDO I,
CORP., BALBOA CDO I, LTD., BELLE HAVEN
ABS CDO 2005-1, LLC, BELLE HAVEN ABS
CDO 2005-1, LTD., BELLE HAVEN ABS CDO
2006-1, LLC, BELLE HAVEN ABS CDO 2006-1,
LTD., EXUM RIDGE CBO 2006-1, CORP., EXUM
RIDGE CBO 2006-1, LTD., EXUM RIDGE CBO
2006-2, CORP., EXUM RIDGE CBO 2006-2, LTD.,
EXUM RIDGE CBO 2006-4, CORP., EXUM
RIDGE CBO 2006-4, LTD., EXUM RIDGE CBO
2006-5, CORP., EXUM RIDGE CBO 2006-5, LTD.,
EXUM RIDGE CBO 2007-1, CORP., EXUM
RIDGE CBO 2007-1, LTD., EXUM RIDGE CBO
2007-2, CORP., EXUM RIDGE CBO 2007-2, LTD.,
GEMSTONE CDO VI CORP., GEMSTONE CDO
VI LTD., GREYSTONE CDO SERIES 2008-4 LLC,
GREYSTONE CDO SPC, FOR THE ACCOUNT
OF THE SERIES 2008-4 SEGREGATED
PORTFOLIO, PEBBLE CREEK LCDO 2006-1,
CORP., PEBBLE CREEK LCDO 2006-1, LTD.,
PEBBLE CREEK LCDO 2007-3, LLC, PEBBLE
CREEK LCDO 2007-3, LTD., RACE POINT IV
CLO, LTD., RESTRUCTURED ASSET
CERTIFICATES WITH ENHANCED RETURNS,
SERIES 2002-26 TRUST, RESTRUCTURED
ASSET CERTIFICATES WITH ENHANCED
RETURNS, SERIES 2006-18-C ABX-A06-1-I
TRUST, RESTRUCTURED ASSET
CERTIFICATES WITH ENHANCED RETURNS,
SERIES 2006-18-C ABX-A06-1-II TRUST,
RESTRUCTURED ASSET CERTIFICATES WITH
ENHANCED RETURNS, SERIES 2006-18-C
ABX-A06-1-III TRUST, RESTRUCTURED ASSET
CERTIFICATES WITH ENHANCED RETURNS,
SERIES 2006-18-C ABX-A06-2-I TRUST,
RESTRUCTURED ASSET CERTIFICATES WITH
ENHANCED RETURNS, SERIES 2006-18-C

ABX-A06-2-II TRUST, RESTRUCTURED ASSET
CERTIFICATES WITH ENHANCED RETURNS,
SERIES 2006-18-C ABX-A06-2-III TRUST,
RESTRUCTURED ASSET CERTIFICATES WITH
ENHANCED RETURNS, SERIES 2006-20AT
TRUST, SGS HY CREDIT FUND I (EXUM RIDGE
CBO 2006-3), LTD., STOWE CDO LLC, STOWE
CDO SPC, FOR THE ACCOUNT OF THE SERIES
2008-1 SEGREGATED PORTFOLIO,
TRADEWINDS II CDO SERIES 2006-1 LLC,
TRADEWINDS II CDO SPC, FOR THE
ACCOUNT OF THE SERIES 2006-1
SEGREGATED PORTFOLIO, WHITE MARLIN
CDO 2007-1, CORP., WHITE MARLIN CDO 2007-
1, LTD.,

Issuer Defendants.

**NOTICE OF DISMISSAL OF CERTAIN ISSUERS
AND U. S. BANK NATIONAL ASSOCIATION AS TRUSTEE
FOR SIX CREDIT DEFAULT SWAP TRANSACTIONS**

PLEASE TAKE NOTICE that Lehman Brothers Holdings Inc. (“*LBHI*”), as Plan Administrator under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors, on behalf of Lehman Brothers Special Financing Inc. (“*LBSF*”), pursuant to Rule 41(a)(1)(A)(i) of the Federal Rules of Civil Procedure made applicable to adversary cases by Rule 7041 of the Federal Rules of Bankruptcy Procedure, hereby dismisses the following entities in their respective roles as “Issuer” or “Co-Issuer”: Airlie CDO I Ltd., Airlie CDO I, Corp., Aviv LCDO 2006-2 Ltd., Aviv LCDO 2006-2, Corp., Pebble Creek LCDO 2006-1, Ltd., Pebble Creek LCDO 2006-1, Corp., Exum Ridge CBO 2006-2, Ltd., Exum Ridge CBO 2006-2, Corp., Exum Ridge CBO 2006-4 Ltd., Exum Ridge CBO 2006-4, Corp., Exum Ridge CBO 2006-5, Ltd., and Exum Ridge CBO 2006-5, Corp. (collectively, the “*Issuers*”), and solely in its capacity as trustee for the Transactions (as defined below), U.S. Bank

National Association (the “*Trustee*,” and together with each Issuer, the “*Defendants*”), from the complaint in the above-captioned adversary proceeding (the “*Adversary Proceeding*”) with prejudice.

LBSF and each Issuer entered into a series of credit default swap transactions governed by ISDA Master Agreements, as amended and supplemented by a certain Schedule to ISDA Master Agreement, a confirmation between LBSF and each Issuer, and guarantee of the obligations of LBSF by LBHI as identified on Exhibit 1 annexed hereto (collectively, the “*Transactions*”). This notice of dismissal by LBSF is made as a matter of right because Defendants have not as of this date filed an answer or a motion for summary judgment. Accordingly, LBSF’s claims in the Adversary Proceeding (i) against the Issuers solely with respect to the Transactions and (ii) against the Trustee solely as trustee with respect to the Transactions are hereby dismissed with prejudice. For the avoidance of doubt, nothing herein shall alter or otherwise affect the rights of LBHI or LBSF under the settlement agreements identified on Exhibit 2 annexed hereto, or shall be construed as a dismissal of the causes of action in the Adversary Proceeding that have been asserted against the Trustee that are not related to or in respect of the Transactions, and nothing herein shall alter, waive, diminish, or impair any rights, claims, interests, or defenses of the parties with regard to such other causes of action or in

connection with any other transactions.

Dated: October 29, 2013
New York, New York

/s/ Jacqueline Marcus
Jacqueline Marcus
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*Attorneys for Lehman Brothers
Holdings Inc. and Certain of Its Affiliates*

Exhibit 1

The Transactions

Airlie CDO I, Ltd.:

- 1992 ISDA Master Agreement (including a Schedule thereto), dated as of January 18, 2007, between Lehman Brothers Special Financing Inc. and Airlie CDO I, Ltd., as amended from time to time
- Confirmation, dated January 18, 2007, between Lehman Brothers Special Financing Inc. and Airlie CDO I, Ltd., as amended from time to time
- Guarantee executed by Lehman Brothers Holdings Inc. of Lehman Brothers Special Financing Inc.'s obligations under the ISDA Master Agreement, Schedule and Confirmation, dated as of January 18, 2007

Aviv LCDO 2006-2, Ltd.:

- 1992 ISDA Master Agreement (including a Schedule thereto), dated as of October 5, 2006, between Lehman Brothers Special Financing Inc. and Aviv LCDO 2006-2, Ltd., as amended from time to time
- Confirmation, dated October 5, 2006, between Lehman Brothers Special Financing Inc. and Aviv LCDO 2006-2, Ltd., as amended from time to time
- Guarantee executed by Lehman Brothers Holdings Inc. of Lehman Brothers Special Financing Inc.'s obligations under the ISDA Master Agreement, Schedule and Confirmation, dated as of October 5, 2006

Pebble Creek LCDO 2006-1, Ltd.:

- 1992 ISDA Master Agreement (including a Schedule thereto), dated as of November 29, 2006, between Lehman Brothers Special Financing Inc. and Pebble Creek LCDO 2006-1, Ltd., as amended from time to time
- Confirmation, dated November 29, 2006, between Lehman Brothers Special Financing Inc. and Pebble Creek LCDO 2006-1, Ltd., as amended from time to time
- Guarantee executed by Lehman Brothers Holdings Inc. of Lehman Brothers Special Financing Inc.'s obligations under the ISDA Master Agreement, Schedule and Confirmation, dated as of November 29, 2006

Exum Ridge CBO 2006-2, Ltd.:

- 1992 ISDA Master Agreement (including a Schedule thereto), dated as of March 8, 2006, between Lehman Brothers Special Financing Inc. and Exum Ridge CBO 2006-2, Ltd., as amended from time to time
- Confirmation, dated March 8, 2006, between Lehman Brothers Special Financing Inc. and Exum Ridge CBO 2006-2, Ltd., as amended from time to time

- Guarantee executed by Lehman Brothers Holdings Inc. of Lehman Brothers Special Financing Inc.'s obligations under the ISDA Master Agreement, Schedule and Confirmation, dated as of March 8, 2006

Exum Ridge CBO 2006-4, Ltd.:

- 1992 ISDA Master Agreement (including a Schedule thereto), dated as of September 15, 2006, between Lehman Brothers Special Financing Inc. and Exum Ridge CBO 2006-4, Ltd., as amended from time to time
- Confirmation, dated September 15, 2006, between Lehman Brothers Special Financing Inc. and Exum Ridge CBO 2006-4, Ltd., as amended from time to time
- Guarantee executed by Lehman Brothers Holdings Inc. of Lehman Brothers Special Financing Inc.'s obligations under the ISDA Master Agreement, Schedule and Confirmation, dated as of September 15, 2006

Exum Ridge CBO 2006-5, Ltd.:

- 1992 ISDA Master Agreement (including a Schedule thereto), dated as of October 12, 2006, between Lehman Brothers Special Financing Inc. and Exum Ridge CBO 2006-5, Ltd., as amended from time to time
- Confirmation, dated October 12, 2006, between Lehman Brothers Special Financing Inc. and Exum Ridge CBO 2006-5, Ltd., as amended from time to time
- Guarantee executed by Lehman Brothers Holdings Inc. of Lehman Brothers Special Financing Inc.'s obligations under the ISDA Master Agreement, Schedule and Confirmation, dated as of October 12, 2006

Exhibit 2

Settlement Agreements

- Settlement Agreement dated June 12, 2013, among Lehman Brothers Holdings Inc., Lehman Brothers Special Financing Inc., U.S. Bank National Association, solely in its capacity as trustee under an indenture, dated July 19, 2007, Airlie CDO I, Ltd., as Issuer, and Airlie CDO I, Corp., as Co-Issuer
- Settlement Agreement, dated September 18, 2013, among Lehman Brothers Holdings Inc., Lehman Brothers Special Financing Inc., U.S. Bank National Association, solely in its capacity as trustee under an indenture, dated October 5, 2006, Aviv LCDO 2006-2 Ltd., as Issuer, and Aviv LCDO 2006-2, Corp., as Co-Issuer
- Settlement Agreement, dated July 17, 2013, among Lehman Brothers Holdings Inc., Lehman Brothers Special Financing Inc., U.S. Bank National Association, solely in its capacity as trustee under the Indenture, dated November 29, 2006, Pebble Creek LCDO 2006-1, Ltd., as Issuer, and Pebble Creek LCDO 2006-1, Corp., as Co-Issuer
- Settlement Agreement, dated July 17, 2013, among Lehman Brothers Holdings Inc., Lehman Brothers Special Financing Inc., U.S. Bank National Association, solely in its capacity as trustee under the Indenture, dated March 8, 2006, Exum Ridge CBO 2006-2, Ltd., as Issuer, and Exum Ridge CBO 2006-2, Corp., as Co-Issuer
- Settlement Agreement, dated July 17, 2013, among Lehman Brothers Holdings Inc., Lehman Brothers Special Financing Inc., U.S. Bank National Association, solely in its capacity as trustee under the Indenture, dated September 15, 2006, Exum Ridge CBO 2006-4, Ltd., as Issuer, and Exum Ridge CBO 2006-4, Corp., as Co-Issuer
- Settlement Agreement, dated July 17, 2013, among Lehman Brothers Holdings Inc., Lehman Brothers Special Financing Inc., U.S. Bank National Association, solely in its capacity as trustee under the Indenture, dated October 12, 2006, Exum Ridge CBO 2006-5, Ltd., as Issuer, and Exum Ridge CBO 2006-5, Corp., as Co-Issuer